

CAPITAL IMPROVEMENTS

POLICY SUMMARY

Missouri uses a biennial appropriations process for capital improvements. During the second year of the biennium, funding is provided for critical projects unforeseen at the time of the adoption of the biennial budget, projects required by legislation passed in the first year of the biennium, and projects using one-time resources that become available for major, one-time improvements to the state's infrastructure.

Governor Holden recommends funding to safeguard the state in the event of a disaster and to support projects at veterans' homes and National Guard facilities. These investments will expedite the state response should a disaster occur that damages state facilities, and enhance facilities at which veterans receive care and where Missouri National Guard units train.

Federal Disaster Relief Funding

Federal disaster relief funds are available when severe storms, flooding, or other disasters damage state facilities. But the Division of Design and Construction, which is responsible for repairs to state facilities, does not have a mechanism to receive and expend such funds. An open-ended appropriation will allow the division to complete repairs to damaged state facilities without undue delay or further deterioration to the damaged facilities. To ensure timely repair of state facilities, Governor Holden recommends:

- \$1 on an open-ended basis from federal funds to receive and expend federal disaster relief funds for construction projects.

Veterans' Homes

Some projects at veterans' homes are eligible for federal reimbursement of a portion of the construction costs. Such reimbursements are deposited in the veterans' commission capital improvement trust fund. A portion of these reimbursements will be used to supplement funds previously appropriated for a project at the Cape Girardeau Veterans' Home that is expected to exceed its original cost estimate. The Governor recommends:

- \$2,000,000 veterans commission capital improvement trust fund for construction projects at the Cape Girardeau Veterans' Home.

National Guard Facilities

Federal funds are often made available to the Missouri National Guard for construction projects, but these funds cannot be used for certain administrative costs associated with such projects. Thus, the state must pay for the administrative costs in order to receive the benefits resulting from the projects. State appropriations for this purpose are inadequate because the federal government approved funding for several projects subsequent to the beginning of the Fiscal Year 2004-2005 biennium. This includes replacement of the Pierce City armory, which was damaged by a tornado in May 2003, and a new armory for a heavy truck unit to be located in Dexter. In return for this small investment, nearly \$17 million worth of federal construction projects will be completed at National Guard installations across Missouri. In addition to these new construction projects, a small amount of funding is necessary to close out the Sedalia armory project. To ensure timely repair of storm damaged facilities and to take advantage of federal construction funding, the Governor recommends:

- \$365,044 for administration of National Guard federally funded construction projects.
- \$40,000 for completion of the new National Guard armory in Sedalia.

FISCAL YEAR 2005 CAPITAL IMPROVEMENTS SUMMARY

	<u>General Revenue</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total</u>
Office of Administration				
• Federal disaster relief	\$ 0	\$ 1	\$ 0	\$ 1
Department of Public Safety				
• Veterans' homes	0	0	2,000,000	2,000,000
• National Guard projects	<u>405,044</u>	<u>0</u>	<u>0</u>	<u>405,044</u>
Total	<u>\$ 405,044</u>	<u>\$ 1</u>	<u>\$ 2,000,000</u>	<u>\$ 2,405,045</u>